

OLDHAM COUNTY SCHOOL DISTRICT

ANNUAL REPORT

JUNE 30, 2008



CPAS / CONSULTANTS

OLDHAM COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham County School District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I of the Independent Auditor's Contract – General Requirements*, *Appendix II of the Independent Auditor's Contract – State Audit Requirements*, and *Appendix III of the Independent Auditor's Contract – Electronic Submission*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham County School District as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008, on our consideration of the Oldham County School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. In addition, the results of our tests disclosed no instances of noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

The Management's Discussion and Analysis on pages 7 through 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basis financial statements. The combining and individual nonmajor fund financial statements, and additional information are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. The combining and individual nonmajor fund

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financial statements, the schedule of expenditures of federal awards and additional information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Amick & Company

Louisville, Kentucky
October 10, 2008

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The discussion and analysis of Oldham County Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- The Oldham County Board of Education completed the 2007/08 fiscal year in a position of financial readiness with the General Fund reflecting an ending (unreserved) balance before encumbrances of \$7,210,744. This ending balance is 7.2% of the Actual Receipts for the FY 2007/08.
- The District continued with construction and renovation of four (4) schools in FY 2007/08, two (2) new elementary schools and two (2) high school renovation projects providing needed space for student population growth over the next two (2) years. Locust Grove Elementary, one of the new elementary schools, opened August 2008.
- The District spent \$140,138 for KETS technology funds and has received a like amount in state matching funds. All available state matching funds from prior years have now been utilized. An additional \$445,796 was provided by the state for instructional device upgrades.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oldham County Public School District as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in a single column. For Oldham County Public School District, the General Fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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These two statements report the school district's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the school district has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the school district is divided into two distinct kinds of activities:

Government Activities – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities.

Business-type Activity – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The school district's food service operations are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The analysis of the school district's major funds starts on page 18.

Governmental Funds

Most of the school district's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the district as a whole.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 15 of this report.

**OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Government-Wide Financial Analysis

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, general equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The School District as a Whole

The perspective of the statement of net assets is that of the school district as a whole. This is the fourth year of government-wide financial statements under GASB Statement 34 reporting.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<u>Assets</u>						
Current -- Assets	\$62,362	\$53,983	\$936	\$1,052	\$63,298	\$55,035
Non-current Assets	\$166,858	\$120,914	\$4,128	\$4,216	\$170,986	\$125,130
TOTAL ASSETS	\$229,817	\$174,897	\$5,064	\$5,268	\$234,284	\$180,166
<u>Liabilities</u>	2008	2007	2008	2007	2008	2007
Current -- Liabilities	\$9,106	\$7,797	\$0	\$28	\$9,106	\$7,825
Non-current Liabilities	\$164,908	\$120,042	\$0	\$0	\$164,908	\$120,042
TOTAL LIABILITIES	\$174,014	\$127,839	\$0	\$28	\$174,014	\$127,867
<u>Net Assets</u>	2008	2007	2008	2007	2008	2007
Invested in Capital Assets						
Net of Related Debt	\$43,674	\$37,097	\$4,128	\$4,216	\$47,801	\$41,313
Unrestricted	\$11,513	\$9,961	\$936	\$1,024	\$12,469	\$10,985
TOTAL NET ASSETS	\$55,205	\$47,058	\$5,064	\$5,240	\$60,270	\$52,298

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Table 2 reflects the changes in net assets for fiscal year 2008. Comparative government-wide data presented below

Table 2
Change in Net Assets
(In Thousands)

	Governmental Activities		Business Type Act.		Total	
	2008	2007	2008	2007	2008	2007
<u>Amount</u>						
<u>Revenues</u>						
Local Revenue Sources	\$40,203	\$36,433	\$0	\$0	\$40,203	\$36,433
State Revenue Sources	50,774	48,210	0	0	50,774	48,210
Investments	3,115	1,378	18	23	3,133	1,401
Other Revenues	626	509	0	0	626	509
Program Revenues	7,130	7,819	3,656	3,705	10,786	11,524
TOTAL REVENUES	\$101,848	\$94,349	\$3,674	\$3,728	105,522	\$98,077
<u>Expenses</u>						
Instruction	\$53,053	\$51,386	\$0	\$0	\$53,053	\$51,386
Student Support Services	5,413	5,370	0	0	5,413	5,370
Instructional Support	3,480	3,344	0	0	3,480	3,344
District Administration	1,627	1,170	0	0	1,627	1,170
School Administration	5,287	5,319	0	0	5,287	5,319
Business Support	1,757	1,525	0	0	1,757	1,525
Plant Operations	6,791	6,057	0	0	6,791	6,057
Student Transportation	6,298	5,227	0	0	6,298	5,227
Community Support	176	154	0	0	176	154
Food Service Operations	0	0	3,851	3,732	3,851	3,732
Facilities Acquisition & Construction	1,250	235	0	0	1,250	235
Interest	6,421	3,716	0	0	6,421	3,716
TOTAL EXPENSES	\$91,553	\$83,503	\$3,851	\$3,732	95,404	\$87,235
Capital Assets contributed from Governmental Activities to Business- Type Activities	\$0	\$0	\$0	\$0	\$0	\$0
Change in Net Assets	\$10,295	\$10,848	\$<177>	\$<4>	\$101,118	\$10,842

*The Board authorized expenditures of prior year reserves to address renovation and construction needs.

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Governmental Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state allocations.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2008	2007		2007
Instruction	\$53,053	\$51,386	\$46,149	\$43,722
Student Support Services	5,413	5,370	5,403	5,353
Instructional Support	3,480	3,344	3,480	3,344
District Administration	1,627	1,170	1,627	1,170
School Administration	5,287	5,319	5,287	5,319
Business Support	1,757	1,525	1,757	1,525
Plant Operations	6,791	6,057	6,767	6,034
Student Transportation	6,298	5,227	6,112	5,121
Community Support	176	154	168	144
Food Service	3,851	3,732	195	28
Facilities Acquisition and Construction	1,250	235	(1,586)	235
Interest	6,421	3,716	6,421	3,716
Total Expenses	\$95,404	\$87,235	\$871,781	\$75,713

The dependence upon local tax and state revenues for governmental activities is apparent. Over 85 percent of instructional related activities are supported through tax, state revenues and other general revenues. For all governmental activities general revenues support is 83 percent.

Business – Type Activity

The only business-type activity of the school district is the food service operation. This program had revenues of \$3,674,711 and expenses of \$3,708,486 for fiscal year 2008. Total revenues decreased approximately \$53,000, while expenses increased approximately \$125,000 from the prior fiscal year.

The Board of Education continues to direct that food service operations be self-supporting without assistance from the General Fund.

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The School District's Fund

The school district's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$162 million and expenditures and other financing uses of \$154 million. The net change in fund balance of \$8 million, was due to a planned change arising from the budgeted allocations/spending according to needs identified for the District.

General Fund Budgeting Highlights

The school district's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2008, the school district reviewed its budget as needed to meet the changing conditions in revenues and expenditures to meet the growth needs of an increasing student population. A summary of the general fund original and final budgeted amounts is listed on page 22, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

The change in this year's ending balance is impacted in part to General Fund receipts surpassing budgeted receipts. General property tax ended the year \$278,324 ahead of budget projections. The District continues to receive the \$200,000 in-lieu payment by Dynegy from Oldham County Fiscal Court in support of the Oldham County Arts Center for the sixth consecutive year. Revenue from utility taxes ended the year up \$280,468, an increase of almost 11% from the previous year.

We continue to focus directing the maximum dollars in the General Fund for instruction. Direct instruction costs for the General Fund this year were \$39.6 million (net of on-behalf amounts), up from \$37.1 million last year (net of on-behalf amounts). An additional \$4,906,585 was spent on direct instruction from Grant Funds this year.

The Transportation Department completed the year spending \$842,079 (net of on-behalf amounts) for fuel costs, up \$298,311 from 2006/2007. In addition, \$840,306 was spent to retire bus debt through the state KISTA Program. Increasing enrollment and the volatility of fuel prices necessitated further budget increases for 2008/09.

The Maintenance Department delivered another positive financial performance spending \$76,738 (net of on-behalf amounts), below their operational budget allocations, including utility costs for buildings. Maintenance/Plant Operations was budgeted \$5,962,069 and spent \$5,885,331.

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the school district had \$170.9 million invested in capital assets, \$166.8 million in government activities.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$8,088	\$6,184	\$0	\$0	\$8,088	\$6,184
Land Improvements	\$2,978	\$3,014	\$0	\$0	\$2,978	\$3,014
Buildings and Building Improvements	\$96,421	\$96,693	\$3,915	\$4,010	\$100,336	\$100,703
Technology Equipment	\$2,424	\$1,703	\$0	\$1	\$2,424	\$1,704
Vehicles	\$4,927	\$4,179	\$0	\$0	\$4,927	\$4,179
General Assets	\$665	\$691	\$213	\$205	\$878	\$896
Infrastructure	\$580	\$615	\$0	\$0	\$580	\$615
Construction in Progress	\$50,772	\$7,835	\$0	\$0	\$50,772	\$7,835
Totals	\$166,855	\$120,914	\$4,128	\$4,216	\$170,983	\$127,130

Debt

At June 30, 2008, the school district had \$170,792,649 in bond principal outstanding, \$6,355,765 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2008	2007
General Obligation Bonds		
School Bldg. Revenue Bonds	\$165,500,000	\$120,175,000
School Bus Acquisition Bonds	\$5,292,649	\$4,382,354
Total	\$170,792,649	\$124,557,354

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Current Issues

The Oldham County School district is one of the fastest growing school districts in Kentucky. The number of students has grown over the past 13 years from 7,420 in 1993/94 to a new record level district-wide enrollment in Fiscal 2007/2008. At the end of the first month of this school year (FY 2008/2009) our district-wide enrollment is 11,902 or 95.1% of state-rated capacity. For the first time in many years, enrollment has slowed significantly, in part due to the economic slowdown in the country, with a gain of 34 students over the same day in 2007/2008. This increase in students of 0.3% was well below the District projection of 12,316 students. Current housing starts for 2008/2009 slowed to 339, compared to a three-year average of 477 and a five-year average of 667.

As the economy improves, Oldham County is likely to continue to face long-term growth needs with enrollment projected to increase by 3,414 students during the next 8 years (2015/16) to a total of 15,132 students. Additional classroom space and renovations at existing facilities will be needed over that period.

On August 25, 2008, the Oldham County Board of Education unanimously voted to adopt a school tax rate for real estate of 66.9 cents (the same as last year's 66.9 cents) per \$100 assessed value of real estate. With real estate values increasing in the county by 6.0% for 2008/2009, the tax rate will generate almost \$2.2 million in additional local revenues providing for the new staffing, continuing operating costs and facility improvements.

The state's funding mechanism, Support Education Excellence in Kentucky (SEEK), has increased the base funding 1.1% for FY 2008/2009. The guaranteed SEEK base proposed for 2008/2009 is \$3,866 per student, up from last year's \$3,822 per student. With equalization requirements in state funding for SEEK, mandated increases from the state for FY 2008/2009 salary increases averaging 2.64% for certified and classified staff before related fringe benefit costs, and continue to require growing school districts to use much of their additional local revenue, in addition to state increases received, to meet the required mandates.

Several categorical grant programs have seen significant reductions in revenue, while demand and/or costs have continued to increase. So far, many local districts like ours are funding these needs (as opposed to higher teacher salaries, lower class sizes or local facility needs) from local revenue.

On September 10, 2008, the Kentucky Department of Education released a report of the total academic indexes for 2008, the end of the 2006-2008 accountability cycle. Oldham County schools again are leaders in student achievement and successful results on total academic indexes (CATS) in the state.

Individual schools in Oldham County continued to push toward highest scores by reaching and exceeding the state goal of 100 well in advance of the state's 2014 deadline. Staff at all district schools know that 100 is not the goal as that represents the average; Oldham County's goal is to "Continue the Tradition of Excellence" making our target outstanding success for each student and school's scores well above 100 for all schools.

The 2008 Accountability Index for eight schools, Buckner Elementary (110.1), Goshen Elementary (108.8), Liberty Elementary (105.0), Harmony Elementary (106.0), Centerfield Elementary (103.4), East Oldham Middle School (106.4), South Oldham Middle School (102.4) and North Oldham Middle School (111.3) all exceeded the goal of 100 and are moving toward a higher target of excellence. Camden Station Elementary (96.9), Kenwood Station Elementary (98.7) and North Oldham High School (97.9) were just below the 100 point goal. Three other schools are also above the 94 point score – LaGrange Elementary (94.9), South Oldham High School (95.1) and Oldham County Middle School (94.5).

OLDHAM COUNTY PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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With careful planning and monitoring of our finances, Oldham County Public Schools are confident we can continue to provide a quality education for our students and a secure financial future for the school district.

Future Budgetary Implications

In Kentucky, the public schools fiscal year is July 1 – June 30; other programs, i.e. some federal programs operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget for 2008/2009 with a 6.7% contingency. Significant Board action that impacts the finances includes mandated pay increases for all employees, additional spending for facility repairs outside of bonded building and renovation projects, and continued funding of Board initiatives for various District programs.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Superintendent Paul S. Upchurch or Finance Officer Chuck Littrell at (502) 241-3500 or by mail to Oldham County Public Schools, P. O. Box 218, Buckner, KY 40010.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 60,336,033	\$ 810,557	\$ 61,146,590
Investments	-	-	-
Interest receivable	-	-	-
Accounts receivable			
Taxes - current	421,000	-	421,000
Accounts	315,127	-	315,127
Other	603,587	125,686	729,273
Bond issuance costs	685,867	-	685,867
Total Current Assets	<u>62,361,614</u>	<u>936,243</u>	<u>63,297,857</u>
CAPITAL ASSETS			
Capital assets	163,694,786	6,125,920	169,820,706
Construction in progress	50,772,180	-	50,772,180
Less accumulated depreciation	<u>(47,608,826)</u>	<u>(1,998,268)</u>	<u>(49,607,094)</u>
Total Capital Assets	<u>166,858,140</u>	<u>4,127,652</u>	<u>170,985,792</u>
TOTAL ASSETS	<u><u>\$ 229,219,754</u></u>	<u><u>\$ 5,063,895</u></u>	<u><u>\$ 234,283,649</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 523,769	\$ -	\$ 523,769
Cash overdraft	61,467	-	61,467
Accrued payroll and related expenses	948,446	-	948,446
Current portion of bonds payable	5,580,000	-	5,580,000
Current portion of capital leases payable	775,765	-	775,765
Current portion of accrued sick leave	480,000	-	480,000
Deferred revenue	736,668	-	736,668
Total Current Liabilities	<u>9,106,115</u>	<u>-</u>	<u>9,106,115</u>
NONCURRENT LIABILITIES			
Bonds payable	159,920,000	-	159,920,000
Capital leases payable	4,516,884	-	4,516,884
Noncurrent portion of accrued sick leave	471,056	-	471,056
Total Noncurrent Liabilities	<u>164,907,940</u>	<u>-</u>	<u>164,907,940</u>
TOTAL LIABILITIES	<u><u>\$ 174,014,055</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 174,014,055</u></u>
NET ASSETS			
Investment in capital assets, net of related debt	\$ 43,674,317	\$ 4,127,652	\$ 47,801,969
Unrestricted	<u>11,531,382</u>	<u>936,243</u>	<u>12,467,625</u>
TOTAL NET ASSETS	<u><u>\$ 55,205,699</u></u>	<u><u>\$ 5,063,895</u></u>	<u><u>\$ 60,269,594</u></u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Activities

District Wide

For the year ended June 30, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction	\$ 53,052,925	\$ 101,850	\$ 6,801,561	\$ -	\$ (46,149,514)	\$ -	\$ (46,149,514)
Support Services:							
Student	5,413,262	10,564	-	-	(5,402,698)	-	(5,402,698)
Instruction staff	3,480,221	-	-	-	(3,480,221)	-	(3,480,221)
District administrative	1,627,327	-	-	-	(1,627,327)	-	(1,627,327)
School administrative	5,286,511	-	-	-	(5,286,511)	-	(5,286,511)
Business	1,756,783	-	-	-	(1,756,783)	-	(1,756,783)
Plant operation and maintenance	6,790,527	22,913	-	-	(6,767,614)	-	(6,767,614)
Student transportation	6,297,549	185,309	-	-	(6,112,240)	-	(6,112,240)
Central office	-	-	-	-	-	-	-
Facilities acquisition and construction	1,249,927	-	-	2,836,391	1,586,464	-	1,586,464
Community service activities	176,067	8,078	-	-	(167,989)	-	(167,989)
Other	-	-	-	-	-	-	-
Interest on long-term debt	6,421,432	-	-	-	(6,421,432)	-	(6,421,432)
Depreciation and amortization	4,985,030	-	-	-	(4,985,030)	-	(4,985,030)
Total Governmental Activities	<u>96,537,561</u>	<u>328,714</u>	<u>6,801,561</u>	<u>2,836,391</u>	<u>(86,570,895)</u>	<u>-</u>	<u>(86,570,895)</u>
Business-type Activities							
Food service	3,851,685	2,411,537	1,244,905	-	-	(195,243)	(195,243)
Total Business-type Activities	<u>3,851,685</u>	<u>2,411,537</u>	<u>1,244,905</u>	<u>-</u>	<u>-</u>	<u>(195,243)</u>	<u>(195,243)</u>
Total School District	<u>\$ 100,389,246</u>	<u>\$ 2,740,251</u>	<u>\$ 8,046,466</u>	<u>\$ 2,836,391</u>	<u>\$ (86,570,895)</u>	<u>\$ (195,243)</u>	<u>\$ (86,766,138)</u>
General Revenues							
Property taxes					\$ 34,116,287	\$ -	\$ 34,116,287
Delinquent property tax					101,662	-	101,662
Motor vehicle taxes					2,779,596	-	2,779,596
Utility taxes					3,005,469	-	3,005,469
Other taxes					-	-	-
Revenue in lieu of taxes					200,000	-	200,000
Investment earnings					3,115,098	18,269	3,133,367
State and formula grants					50,773,588	-	50,773,588
Gain in sale of assets					61,361	-	61,361
Miscellaneous					564,970	-	564,970
Total General Revenues					<u>94,718,031</u>	<u>18,269</u>	<u>94,736,300</u>
Change in Net Assets					8,147,136	(176,974)	7,970,162
Net Assets - Beginning					47,058,563	5,240,869	52,299,432
Net Assets - Ending					<u>\$ 55,205,699</u>	<u>\$ 5,063,895</u>	<u>\$ 60,269,594</u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Balance Sheet Governmental Funds June 30, 2008

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CONSTRUCTION FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS AND RESOURCES					
Cash and cash equivalents	\$ 11,735,037	\$ -	\$ 46,291,357	\$ 2,378,873	\$ 60,405,267
Investments	-	-	-	-	-
Accounts receivable					
Taxes - current	406,000	-	15,000	-	421,000
Accounts	315,127	-	-	-	315,127
Intergovernmental - State	-	603,587	-	-	603,587
Intergovernmental - Federal	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 12,456,164</u>	<u>\$ 603,587</u>	<u>\$ 46,306,357</u>	<u>\$ 2,378,873</u>	<u>\$ 61,744,981</u>
LIABILITIES					
Accounts payable	\$ 518,317	\$ 5,452	\$ -	\$ -	\$ 523,769
Cash overdraft	-	61,467	-	-	61,467
Accrued payroll and related expenses	948,446	-	-	-	948,446
Current portion of accumulated sick leave	480,000	-	-	-	480,000
Due to other funds	69,234	-	-	-	69,234
Deferred revenue	200,000	536,668	-	-	736,668
Total Liabilities	<u>2,215,997</u>	<u>603,587</u>	<u>-</u>	<u>-</u>	<u>2,819,584</u>
FUND BALANCES					
Reserved for					
Encumbrances	1,879,426	-	46,306,357	-	48,185,783
Debt service	-	-	-	1,229,924	1,229,924
Unreserved					
Undesignated, reported in	-	-	-	-	-
General fund	7,210,741	-	-	-	7,210,741
Board designated	1,150,000	-	-	-	1,150,000
Special revenue fund	-	-	-	-	-
Capital project funds	-	-	-	1,148,949	1,148,949
Total Fund Balances	<u>10,240,167</u>	<u>-</u>	<u>46,306,357</u>	<u>2,378,873</u>	<u>58,925,397</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,456,164</u>	<u>\$ 603,587</u>	<u>\$ 46,306,357</u>	<u>\$ 2,378,873</u>	<u>\$ 61,744,981</u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Assets
June 30, 2008

Total fund balance per fund financial statements	\$ 58,925,397
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net assets

Capital assets	\$ 163,694,786	
Construction in progress	50,772,180	
Accumulated depreciation	<u>(47,608,826)</u>	166,858,140

Certain other assets are not reported in this fund financial statement because they are not available to pay current period expenditures, but are reported in the statement of net assets

Bond issuance costs	685,867
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Certain other liabilities are not reported in this fund financial statement because they are not available to pay current period expenditures, but are reported in the statement of net assets

Noncurrent portion of accrued sick leave	(471,056)
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Certain liabilities (such as bonds payable and capital leases payable) are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets

Bonds payable	(165,500,000)	
Capital leases payable	<u>(5,292,649)</u>	<u>(170,792,649)</u>

Net assets for governmental activities	\$ <u>55,205,699</u>
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The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenue, Expenditures And Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2008

	GENERAL <u>FUND</u>	SPECIAL REVENUE <u>FUND</u>	CONSTRUCTION <u>FUND</u>	OTHER GOVERNMENTAL <u>FUNDS</u>	TOTAL GOVERNMENTAL <u>FUNDS</u>
REVENUES					
From local sources:					
Taxes:					
Property	\$ 22,802,491	\$ -	\$ -	\$ 11,415,458	\$ 34,217,949
Motor vehicles	2,589,798	-	-	189,798	2,779,596
Utilities	3,005,469	-	-	-	3,005,469
Other	200,000	-	-	-	200,000
Tuition and fees	101,850	-	-	-	101,850
Earnings on investments	936,760	-	2,178,338	-	3,115,098
Student activities	6,480	4,084	-	-	10,564
Community service activities	8,078	-	-	-	8,078
Other local revenues	519,119	252,173	1,900	-	773,192
Intergovernmental - State	49,906,571	3,249,007	-	2,836,391	55,991,969
Intergovernmental - Direct Federal	-	-	-	-	-
Intergovernmental - Indirect Federal	-	3,552,554	-	-	3,552,554
Intergovernmental - Intermediate sources	-	-	-	-	-
TOTAL REVENUES	<u>80,076,616</u>	<u>7,057,818</u>	<u>2,180,238</u>	<u>14,441,647</u>	<u>103,756,319</u>
EXPENDITURES					
Current:					
Instruction	49,197,884	4,906,585	-	-	54,104,469
Support Services					
Student	4,284,361	1,128,901	-	-	5,413,262
Instructional staff	2,601,851	899,406	-	-	3,501,257
District administration	1,627,327	-	-	-	1,627,327
School administration	5,286,511	-	-	-	5,286,511
Business	1,756,783	-	-	-	1,756,783
Plant operations and maintenance	6,581,911	-	-	219,466	6,801,377
Student transportation	6,132,424	165,125	-	-	6,297,549
Community services	78,128	97,939	-	-	176,067
Facilities acquisition and construction	265,903	-	45,354,570	3,536,189	49,156,662
Debt service - KISTA Bonds	840,306	-	-	-	840,306
Other	-	-	-	-	-
TOTAL EXPENDITURES	<u>78,653,389</u>	<u>7,197,956</u>	<u>45,354,570</u>	<u>3,755,655</u>	<u>134,961,570</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>1,423,227</u>	<u>(140,138)</u>	<u>(43,174,332)</u>	<u>10,685,992</u>	<u>(31,205,251)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	49,255,000	-	49,255,000
Proceeds from sale or comp of fixed assets	31,436	-	-	-	31,436
Operating transfers in	-	140,138	-	9,537,043	9,677,181
Operating transfers out	(140,138)	-	-	(19,291,633)	(19,431,771)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(108,702)</u>	<u>140,138</u>	<u>49,255,000</u>	<u>(9,754,590)</u>	<u>39,531,846</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>1,314,525</u>	<u>-</u>	<u>6,080,668</u>	<u>931,402</u>	<u>8,326,595</u>
FUND BALANCE JULY 1, 2007	<u>8,925,642</u>	<u>-</u>	<u>40,225,689</u>	<u>1,447,471</u>	<u>50,598,802</u>
FUND BALANCE JUNE 30, 2008	<u>\$ 10,240,167</u>	<u>\$ -</u>	<u>\$ 46,306,357</u>	<u>\$ 2,378,873</u>	<u>\$ 58,925,397</u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Net Assets June 30, 2008

Net change in total fund balances per fund financial statements	\$ 8,326,595
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Amounts reported for governmental activities in the statement
of activities are different because:

Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.

Total cost of capital assets	49,524,818
Depreciation expense	(4,932,758)

The proceeds for the issuance of bonds provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net assets.

	(49,255,000)
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Bond and capital lease payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net assets.

Bond principal payments	4,370,000
KISTA principal payments	664,744

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond issuance costs	(52,271)
Bond issuance costs - KISTA	(56,369)
Bond issuance costs - Refunding Series	(383,690)
Accumulated sick leave	<u>(58,933)</u>

Change in net assets of governmental activities	<u>\$ 8,147,136</u>
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The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
From local sources:				
Taxes:				
Property	\$ 20,596,830	\$ 22,516,522	\$ 22,802,491	\$ 285,969
Motor vehicles	2,300,000	2,600,000	2,589,798	(10,202)
Utilities	2,775,000	2,725,000	3,005,469	280,469
Other	200,000	200,000	200,000	-
Tuition and fees	60,000	75,000	101,850	26,850
Earnings on investments	1,200,000	1,150,000	936,760	(213,240)
Student activities	5,000	5,000	6,480	1,480
Community service activities	10,000	10,000	8,078	(1,922)
Other local revenues	390,000	390,000	519,119	129,119
Intergovernmental - State	32,207,450	35,910,693	49,906,571	13,995,878
Intergovernmental - Indirect Federal	-	-	-	-
Intergovernmental - Federal	10,000	10,000	-	(10,000)
TOTAL REVENUES	59,754,280	65,592,215	80,076,616	14,484,401
EXPENDITURES				
Current:				
Instruction	37,838,017	40,911,936	49,197,884	(8,285,948)
Support Services				
Student	2,952,198	3,377,013	4,284,361	(907,348)
Instructional staff	2,131,735	2,254,757	2,601,851	(347,094)
District administration	1,700,885	1,533,980	1,627,327	(93,347)
School administration	4,066,415	4,313,020	5,286,511	(973,491)
Business	1,370,357	1,540,464	1,756,783	(216,319)
Plant operations and maintenance	5,783,077	5,962,069	6,581,911	(619,842)
Student transportation	4,296,075	5,299,888	6,132,424	(832,536)
Community services	87,149	71,433	78,128	(6,695)
Facilities acquisition and construction	256,719	305,466	265,903	39,563
Debt service - KISTA Bonds	750,245	840,306	840,306	-
Contingency	5,345,437	6,804,524	-	6,804,524
TOTAL EXPENDITURES	66,578,309	73,214,856	78,653,389	(5,438,533)
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(6,824,029)	(7,622,641)	1,423,227	9,045,868
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	2,000	2,000	31,436	(29,436)
Operating transfers in	-	-	-	-
Operating transfers out	(150,000)	(155,000)	(140,138)	(14,862)
TOTAL OTHER FINANCING SOURCES (USES)	(148,000)	(153,000)	(108,702)	(44,298)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,972,029)	(7,775,641)	1,314,525	9,090,166
FUND BALANCE JULY 1, 2007	6,972,029	7,775,641	8,925,642	1,150,001
FUND BALANCE JUNE 30, 2008	\$ -	\$ -	\$ 10,240,167	\$ 10,240,167

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Special Revenue Fund

For the Year Ended June 30, 2008

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
From local sources:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Motor vehicles	-	-	-	-
Utilities	-	-	-	-
Other	-	-	-	-
Tuition and fees	-	-	-	-
Earnings on investments	-	-	-	-
Student activities	(16,553)	-	4,084	4,084
Community service activities	-	-	-	-
Other local revenues	283,226	263,520	252,173	(11,347)
Intergovernmental - State	3,124,846	3,222,240	3,249,007	26,767
Intergovernmental - Indirect Federal	4,026,708	4,168,248	3,552,554	(615,694)
Intergovernmental - Federal	-	-	-	-
TOTAL REVENUES	<u>7,418,227</u>	<u>7,654,008</u>	<u>7,057,818</u>	<u>(596,190)</u>
EXPENDITURES				
Current:				
Instruction	4,838,558	5,025,840	4,906,585	119,255
Support Services				
Student	1,482,805	1,271,293	1,128,901	142,392
Instructional staff	1,310,716	1,284,134	899,406	384,728
District administration	-	-	-	-
School administration	-	-	-	-
Business	(1,895)	-	-	-
Plant operations and maintenance	-	-	-	-
Student transportation	(189,230)	133,871	165,125	(31,254)
Central office	-	-	-	-
Community services	102,278	93,870	97,939	(4,069)
Facilities acquisition and construction	-	-	-	-
Debt service - KISTA Bonds	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>7,543,232</u>	<u>7,809,008</u>	<u>7,197,956</u>	<u>611,052</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(125,005)</u>	<u>(155,000)</u>	<u>(140,138)</u>	<u>14,862</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	125,022	155,000	140,138	(14,862)
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,022</u>	<u>155,000</u>	<u>140,138</u>	<u>(14,862)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	17	-	-	-
FUND BALANCE JULY 1, 2007	<u>-</u>	<u>521,555</u>	<u>-</u>	<u>(521,555)</u>
FUND BALANCE JUNE 30, 2008	<u>\$ 17</u>	<u>\$ 521,555</u>	<u>\$ -</u>	<u>\$ (521,555)</u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2008

ASSETS	<u>Food Service Fund</u>
Current Assets	
Cash and cash equivalents	\$ 810,557
Investments	-
Other receivables	<u>125,686</u>
Total current assets	<u>936,243</u>
Noncurrent Assets	
Capital assets	6,125,920
Less: Accumulated depreciation	<u>(1,998,268)</u>
Total noncurrent assets	<u>4,127,652</u>
Total assets	<u><u>\$ 5,063,895</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>\$ -</u>
Total current liabilities	<u><u>\$ -</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 4,127,652
Unrestricted	
Unreserved	<u>936,243</u>
Total net assets	<u><u>\$ 5,063,895</u></u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the year ended June 30, 2008

	<u>Food Service Fund</u>
Operating Revenues	
Food service sales	\$ 2,411,537
Other operating revenues	-
Total operating revenues	<u>2,411,537</u>
Operating Expenses	
Salaries and wages	1,651,499
Professional and contract services	198,081
Supplies and materials	1,629,299
Small equipment purchases	58,513
Depreciation	143,199
Other operating expenses	<u>171,095</u>
Total operating expenses	<u>3,851,685</u>
Operating income (loss)	<u>(1,440,148)</u>
Nonoperating revenues (expenses)	
Federal grants	1,030,613
State grants	214,292
Interest income	<u>18,269</u>
Total nonoperating revenues (expenses)	<u>1,263,174</u>
Net income (loss)	<u>(176,974)</u>
Total net assets, July 1, 2007	<u>5,240,869</u>
Total net assets, June 30, 2008	<u><u>\$ 5,063,895</u></u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the year ended June 30, 2008

	<u>Food Service Fund</u>
Cash Flows from Operating Activities	
Cash received from lunchroom sales	\$ 2,403,926
Cash received from government grants	1,070,767
Cash received from other activities	-
Cash payments to employees for services	(1,477,361)
Cash payments to suppliers for goods and services	(1,913,695)
Cash payments for other operating activities	<u>(171,093)</u>
Net cash from operating activities	<u>(87,456)</u>
 Cash Flows from Capital Financing Activities	
Capital contributions	-
Acquisition of capital assets	<u>(54,353)</u>
Net cash from capital financing activities	<u>(54,353)</u>
 Cash Flows from Noncapital Financing Activities	
Nonoperating grants received	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
 Cash Flows from Investing Activities	
Interest on investments	<u>18,269</u>
Net cash flows from investing activities	<u>18,269</u>
 Net increase in cash and cash equivalents	(123,540)
Cash and cash equivalents - Beginning	<u>934,097</u>
Cash and cash equivalents - Ending	<u><u>\$ 810,557</u></u>
 Reconciliation of Net Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Net income (loss)	\$ (176,974)
 Adjustments to Reconcile Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Depreciation	143,199
Interest	(18,269)
Changes in assets and liabilities:	
Receivables	(7,612)
Accounts payable	(27,802)
Accrued liabilities	-
Deferred revenue	-
Due to other funds	<u>-</u>
 Net Cash Provided by Operating Activities	<u><u>\$ (87,458)</u></u>

The accompanying notes are an integral part of these financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The basic financial statements of Oldham County Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Oldham County Board of Education (Board), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Oldham County School District (District). The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools in the district. The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14 *"The Financial Reporting Entity"* and there are no component units included within the reporting entity.

B. Related Organizations

The Board, for financial purposes, includes all of the funds and account groups relevant to the operation of the Oldham County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc.

The financial statements of the Board include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

Oldham County School District Finance Corporation - On October 17, 1988, the Oldham County, Kentucky, Board of Education resolved to authorize the establishment of the Oldham County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Oldham County Board of Education also comprise the Corporation's Board of Directors.

C. Basis of Presentation, Basis of Accounting

i. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation, Basis of Accounting (Continued)

i. Basis of Presentation (Continued)

major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report.

The Construction Fund includes Capital Projects Funds accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation, Basis of Accounting (Continued)

i. Basis of Presentation (Continued)

The District reports the following major business-type funds:

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U. S. Department of Agriculture ("USDA"). No amounts have been recorded for in-kind contributions of commodities from the USDA.

In addition, the District reports the following fund types:

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

ii. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation, Basis of Accounting (Continued)

ii. Measurement Focus, Basis of Accounting (Continued)

in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the district incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation, Basis of Accounting (Continued)

ii. Measurement Focus, Basis of Accounting (Continued)

will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

D. Encumbrance Accounting

Purchase orders or contracts document encumbrances for goods or purchased services. Under Kentucky law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

End-of-the-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$ 1,879,900
Building Fund	1,148,949
Construction Fund	46,306,357

E. Financial Statement Amounts

i. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Board considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

ii. Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Funds, which records inventory using the accrual basis of accounting.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Financial Statements Amounts (Continued)

iii. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property. Taxes are due on receipt of the tax bill and are delinquent if not paid before January 1 of the year following the year in which the tax is imposed. On April 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the County, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

iv. Capital Assets

The District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The District generally capitalizes assets with cost of \$1,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Land improvements	20
Buildings and improvements	7 - 50
Technology equipment	5
Vehicles	5 - 10
General equipment	10 - 20

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Financial Statements Amounts (Continued)

iv. Capital Assets (Continued)

The District allocates cost of buildings between governmental and business-type activities based on the square footage of the space used for the business-type activity.

v. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

vi. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental and business-type activities columns of the statements of net assets, except for the residual amounts due between governmental and business-type activities, which are presented as internal balances.

F. Budgetary Process

Budgetary Basis of Accounting: The District’s budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP),

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Amendments are reflected in the official minutes of the Board, and are not made after fiscal year-end as directed by law.

All budget appropriations lapse at year-end.

NOTE 2. COMPLIANCE AND ACCOUNTABILITY

A. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38 "*Certain Financial Statement Note Disclosures*" violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
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None reported	Not applicable
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B. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 2. COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deposits and Investments (Continued)

Cash Deposits:

At June 30, 2008, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$59,924,433 and the bank balance was \$68,011,230. The District's cash deposits at June 30, 2008, and during the year ended June 30, 2008, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

Category 1 – Cash and cash equivalents that are insured or registered, or securities held by the school district or by its agent in the school district's name.

Category 2 – Cash and cash equivalents and investments that are uninsured or unregistered, with securities held by the counterpart's trust department or agent in the school district's name.

Category 3 – Cash and cash equivalents and investments that are uninsured and unregistered with securities held by the counterparty or its trust department or agent but not in the school district's name.

The school district's deposits and investments at June 30, 2008, are categorized as follows:

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 2. COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deposits and Investments (Continued)

Cash Deposits (Continued):

Account	Carrying Amount/ Market Value	Bank Balance
General	\$ 22,659,573	\$ 30,746,371
School food service	810,557	810,557
Construction	<u>36,454,302</u>	<u>36,454,302</u>
Totals	\$ <u>59,924,432</u>	\$ <u>68,011,230</u>

Account	1	Category 2	3
General	\$ 100,000	\$ -0-	\$ 22,559,573
School food service	-0-	-0-	810,557
Construction	<u>-0-</u>	<u>36,454,302</u>	<u>-0-</u>
Totals	\$ <u>100,000</u>	\$ <u>36,454,302</u>	\$ <u>23,470,130</u>

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of certain of its funds and maintains accountability for such funds' equity in the pooled cash. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, and U. S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to individual funds based on their proportional equity in investments purchased. For purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

NOTE 3. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2008, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 6,183,825	\$ 1,903,974	\$ -	\$ 8,087,799
Construction in progress	7,835,078	45,758,384	(2,821,282)	50,772,180
Total nondepreciable historical cost	<u>14,018,903</u>	<u>47,662,358</u>	<u>(2,821,282)</u>	<u>58,859,979</u>
Capital assets that are depreciated:				
Land improvements	3,309,025	77,377	-	3,386,402
Building and building improvements	126,828,249	2,821,282	-	129,649,531
Infrastructure	697,481	-	-	697,481
Technology equipment	6,565,860	1,476,646	(2,139)	8,040,367
Vehicles	9,993,445	1,569,631	-	11,563,076
General equipment	2,179,653	90,477	-	2,270,130
Total depreciable historical cost	<u>149,573,713</u>	<u>6,035,412</u>	<u>(2,139)</u>	<u>155,606,986</u>
Less accumulated depreciation for:				
Land improvements	294,791	113,646	-	408,437
Building and building improvements	30,135,231	3,092,606	-	33,227,837
Infrastructure	82,574	34,874	-	117,448
Technology equipment	4,862,744	755,254	(2,139)	5,615,859
Vehicles	5,814,541	819,372	-	6,633,913
General equipment	1,488,326	117,006	-	1,605,332
Total accumulated depreciation	<u>42,678,207</u>	<u>4,932,758</u>	<u>(2,139)</u>	<u>47,608,826</u>
Total depreciable historical cost, net	<u>106,895,506</u>	<u>1,102,654</u>	<u>-</u>	<u>107,998,160</u>
Governmental activities capital assets, net	<u>\$ 120,914,409</u>	<u>\$ 48,765,012</u>	<u>\$ (2,821,282)</u>	<u>\$ 166,858,139</u>
Business-type activities:				
Building and building improvements	\$ 4,731,411	\$ -	\$ -	\$ 4,731,411
Technology equipment	16,024	-	-	16,024
Vehicles	-	-	-	-
General equipment	<u>1,324,132</u>	<u>54,353</u>	<u>-</u>	<u>1,378,485</u>
Total depreciable historical cost	<u>6,071,567</u>	<u>54,353</u>	<u>-</u>	<u>6,125,920</u>

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

NOTE 3. CAPITAL ASSETS (Continued)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u> <u>Reclassifications</u>	<u>Ending</u> <u>Balance</u>
Less accumulated depreciation for:				
Building and building improvements	\$ 721,824	\$ 94,629	\$ -	\$ 816,453
Technology equipment	14,772	1,239	-	16,011
Vehicles	-	-	-	-
General equipment	1,118,472	47,332	-	1,165,804
Total accumulated depreciation	<u>1,855,068</u>	<u>143,200</u>	<u>-</u>	<u>1,998,268</u>
Business-type activities capital assets, net	<u>\$ 4,216,499</u>	<u>\$ (88,847)</u>	<u>\$ -</u>	<u>\$ 4,127,652</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,943,965
Student support services	11,194
Instructional staff support services	9,462
District administrative support	115,930
School administrative support	9,325
Business support services	2,297
Plant operation and management	63,090
Student transportation	776,976
Community services	519
	<u>\$ 4,932,758</u>

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued by the Fiscal Court of Oldham County aggregating \$180,780,000.

The original amount of the issue, issue dates and the interest rates of the bond issues are summarized below:

<u>ISSUE OF</u>	<u>ORIGINAL AMOUNT</u>	<u>INTEREST RATES</u>
Series 1998	2,900,000	Various, 3.9% to 4.6%
Series 2001A	9,925,000	Various, 5.4% to 5.6%
Series 2001B	4,325,000	Various, 3.0% to 4.8%
Series 2002	7,055,000	Various, 1.65% to 4.7%
Series 2003 Refunding	5,610,000	Various, 2.0% to 2.25%
Series 2003	14,805,000	Various, 2.0% to 4.75%
Series 2004	26,735,000	Various, 3.0% to 5.0%
Series 2004 Refunding	6,435,000	Various, 2.0% to 3.75%
Series 2007	38,630,000	Various, 4.0% to 4.75%
Series 2007 Refunding	7,770,000	Various, 3.5% to 3.65%
Second Series of 2007	49,255,000	Various, 4.0% to 4.5%
Series 2008 Refunding	7,335,000	Various, 3.0% to 3.35%

The District, through the General Fund, (including utility taxes and the SEEK Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Oldham County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

On January 1, 2008, the Oldham County School District Finance Corporation issued \$7,335,000 of refunding revenue bonds. The Bonds are being issued to (i) purchase an escrow scheduled to mature at such times and in such amounts as are necessary and will be adequate, with investment or reinvestment thereof, to meet the currently scheduled interest and principal requirements beginning August 1, 2008 through and including August 1, 2019, and pay or refund in advance of

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS (Continued)

maturity on August 1, 2008, the remaining principal, accrued interest and premium of the Oldham County School District Finance Corporation School Building Revenue Bonds, Series of 1999, dated July 1, 1999; and the Series of 2000, dated July 1, 2000, and (ii) pay the Bond issuance expenses. The Board has determined that the plan of refunding the Defeased Bonds will result in considerable interest cost savings to the Oldham County School District (the "District") and is in the best interest of the District.

The District has entered into "participation agreements" with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky Legislature for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2008 for debt service (principal and interest) are as follows:

<u>YEAR</u>	<u>OLDHAM COUNTY SCHOOL DISTRICT</u>		<u>KENTUCKY SCHOOL CONSTRUCTION COMMISSION</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008-09	\$ 5,322,881	\$ 5,250,007	\$ 257,119	\$ 149,085	\$ 10,979,092
2009-10	5,514,711	6,796,981	230,289	140,153	12,682,133
2010-11	5,727,319	6,584,778	237,681	132,289	12,682,067
2011-12	5,958,681	6,360,939	246,319	123,644	12,689,583
2012-13	6,189,403	6,126,289	255,597	114,372	12,685,661
2013-18	34,960,898	26,647,064	1,309,102	420,419	63,337,483
2018-23	43,430,865	18,371,396	1,034,135	180,063	63,016,459
2023-28	<u>54,578,855</u>	<u>8,358,142</u>	<u>246,145</u>	<u>13,878</u>	<u>63,197,020</u>
	<u>\$ 161,683,613</u>	<u>\$ 84,495,595</u>	<u>\$ 3,816,387</u>	<u>\$ 1,273,903</u>	<u>\$ 251,269,248</u>

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS (Continued)

Bonded debt balances and activity for the year ended June 30, 2008, were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ PAYMENTS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Oldham County				
School District	\$ 116,254,308	\$ 55,875,008	\$(10,445,703)	\$ 161,683,613
Kentucky School				
Construction				
Commission	<u>3,920,692</u>	<u>714,992</u>	<u>(819,297)</u>	<u>3,816,387</u>
Total Bonded Debt	\$ <u>120,175,000</u>	\$ <u>56,590,000</u>	\$ <u>(11,265,000)</u>	\$ <u>165,500,000</u>

NOTE 5. CAPITAL LEASE PAYABLE

The School Bus Financing Program is offered by the Kentucky Interlocal School Transportation Association (KISTA).

Equipment Lease Revenue Bonds are issued on behalf of participating School Districts. The Bonds are issued for 10 years and the debt service payments are structured to match the depreciation schedule of the Kentucky Department of Education (DOE). There is no limit as to the number of buses a District can finance.

As a Program participant, collision insurance for each vehicle is provided.

On behalf of all participants KISTA arranges for appropriate legal advertisements to comply with Kentucky State Law, waivers of liability and other DOE requirements. In addition, all legal documents needed to participate are prepared for each participant.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 5. CAPITAL LEASE PAYABLE (Continued)

The following is an analysis of the leased property under capital lease by class:

<u>Classes of Property</u>	<u>Book value as of June 30, 2008</u>
Buses	\$ 5,292,649
<u>Year Ending June 30</u>	<u>Capital Lease Payable</u>
2008	\$ 775,765
2009	729,818
2010	671,517
2011	638,562
2012	599,588
Thereafter	<u>1,877,399</u>
Present Value of Net Minimum Lease Payments	\$ <u>5,292,649</u>

NOTE 6. ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 6. ACCUMULATED UNPAID SICK LEAVE BENEFITS (Continued)

For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the amount "accumulated sick leave payable" in the general fund.

NOTE 7. PENSION PLAN

Plan Description – The Oldham County Schools contributes to the Teachers' Retirement System of Kentucky (KTRS), a cost-sharing, multiple employer defined benefit pension plan. KTRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems and other public educational agencies in Kentucky.

KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report can be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort KY 40601.

Funding Policy – Contribution rates are established by KRS. Members are required to contribute 9.855% of their salaries to KTRS. The Commonwealth of Kentucky is required to contribute 13.105% of salaries. The federal program for any salaries paid by that program pays the matching contributions. KTRS requires that members of KTRS occupy a position requiring either a four (4) year college degree or certification by KY Department of Education (KDE).

The Oldham County Schools' total payroll for the year was \$60,538,570. The payroll for employees covered under KTRS was \$45,436,490. For the year ended June 30, 2008, the Commonwealth contributed \$5,700,306 KTRS for the benefit of our participating employees. The School District's contributions to KTRS for the year ending June 30, 2008, were \$254,146 which represents those employees covered by federal programs.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 8. COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is subject to various legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the combined financial statements as a result of the cases presently in progress.

B. Contingencies

The District receives funding from Federal, State and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantor's intent to continue their programs.

NOTE 9. INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibilities, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which included Worker's compensation insurance.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2008 consisted of the following:

	<u>RECEIVABLE</u>	<u>PAYABLE</u>
<u>General Fund</u>		
School Food Service	\$ -0-	\$ 69,234
School Activity Funds	315,127	-0-
<u>School Activity Fund</u>		
General Fund	-0-	315,127
<u>Construction Fund</u>		
FSPK Fund	15,000	-0-
<u>FSPK Fund</u>		
Construction Fund	-0-	15,000
<u>School Food Service</u>		
General Fund	69,234	-0-

NOTE 11. INTERFUND TRANSFERS

Interfund transfers activity for the year ended June 30, 2008, is as follows:

<u>TYPE</u>	<u>FROM FUND</u>	<u>TO FUND</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Matching	General	Special Revenue	Match	\$ 140,138
Operating	FSPK	Debt Service	Debt Service	9,537,043

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The district pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation Fund are based on premium rates established by such fund in conjunction with the

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 12. RISK MANAGEMENT (Continued)

excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance Fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13. COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss (contingency).

NOTE 14. ON-BEHALF PAYMENTS

For the year ended June 30, 2008, total payments of \$14,135,169 were made for life insurance, health insurance, KTRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities. On behalf payments are not budgeted items.

S U P P L E M E N T A R Y

I N F O R M A T I O N

OLDHAM COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures And Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2007

	SEEK CAPITAL OUTLAY FUND	FSPK FUND	DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
From local sources:				
Taxes:				
Property	\$ -	\$ 11,415,458	\$ -	\$ 11,415,458
Motor vehicle	-	189,798	-	189,798
Utilities	-	-	-	-
Earnings on investments	-	-	-	-
Intergovernmental - State	1,069,670	1,766,721	-	2,836,391
Intergovernmental - Indirect Federal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,069,670</u>	<u>13,371,977</u>	<u>-</u>	<u>14,441,647</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Plant operation and maintenance	219,466	-	-	219,466
Site acquisition	-	1,423,665	-	1,423,665
Site improvement	790,465	1,262,320	-	2,052,785
Building renovations	59,739	-	-	59,739
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,069,670</u>	<u>2,685,985</u>	<u>-</u>	<u>3,755,655</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>10,685,992</u>	<u>-</u>	<u>10,685,992</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	-	-
Operating transfers in	-	-	9,537,043	9,537,043
Operating transfers out	-	(9,537,043)	(9,754,590)	(19,291,633)
	<u>-</u>	<u>(9,537,043)</u>	<u>(9,754,590)</u>	<u>(19,291,633)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(9,537,043)</u>	<u>(217,547)</u>	<u>(9,754,590)</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	1,148,949	(217,547)	931,402
FUND BALANCE, JULY 1, 2007	<u>-</u>	<u>-</u>	<u>1,447,471</u>	<u>1,447,471</u>
FUND BALANCE, JUNE 30, 2008	<u>\$ -</u>	<u>\$ 1,148,949</u>	<u>\$ 1,229,924</u>	<u>\$ 2,378,873</u>

See independent auditors' report.

OLDHAM COUNTY SCHOOL DISTRICT

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2008

	SEEK CAPITAL OUTLAY <u>FUND</u>	FSPK <u>FUND</u>	DEBT SERVICE <u>FUNDS</u>	TOTAL NONMAJOR GOVERNMENTAL <u>FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,148,949	\$ 1,229,924	\$ 2,378,873
Accounts receivable				
Taxes - current	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND RESOURCES	<u>\$ -</u>	<u>\$ 1,148,949</u>	<u>\$ 1,229,924</u>	<u>\$ 2,378,873</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related expenses	-	-	-	-
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved				
Debt service	-	-	1,229,924	1,229,924
Unreserved	-	1,148,949	-	1,148,949
	<u>-</u>	<u>1,148,949</u>	<u>-</u>	<u>1,148,949</u>
TOTAL FUND BALANCES	<u>-</u>	<u>1,148,949</u>	<u>1,229,924</u>	<u>2,378,873</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 1,148,949</u>	<u>\$ 1,229,924</u>	<u>\$ 2,378,873</u>

See independent auditors' report.

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ <u>PROGRAM TITLE</u>	<u>PROJECT</u>	FEDERAL CFDA <u>NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct programs:			
Head Start - FY 07	08-CH-2614	93.600	\$ 606,677
Total Department of Health and Human Services			606,677
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through State Department of Education			
Title I	0531-03-07	84.010	68,770
Title I	0531-04-08	84.010	498,216
IDEA Part B	465-07	84.027	3,239
IDEA Part B	465-08	84.027	1,695,645
IDEA Part B Preschool	465-07P	84.173	1,556
IDEA Part B Preschool	465-08P	84.173	46,714
Title I - Migrant	0531-05-06	84.011	8,307
Title I - Migrant	0531-06-07	84.011	4,300
Title I - Parent Involvement	FY07	84.010A	229
Title III - ESL	FY07	84.365	278
Title III - ESL	FY08	84.365	42,694
Title II - Teacher Quality	0530-06-07	84.164	17,832
Title II - Teacher Quality	0530-07-08	84.164	251,143
Title V	0590-06	84.186	692
Title V	0590-07	84.186	7,062
Title V	0590-08	84.186	2,295
Title IV (Drug Free)	FY06	84.184	241
Title IV (Drug Free)	FY07	84.184	556
Title IV (Drug Free)	FY08	84.184	29,670
Technology Literacy - 2007	0736-06-07	84.318	16
Technology Literacy - 2008	0736-07-08	84.318	5,398
Adult Education	FY08	84.002	69,110
Adult Education - Student	FY08	84.002	12,825
Adult Education - Prof Dev	FY08	84.002	1,326
Community Based Work	FY07	84.126	(1,439)
Community Based Work	FY08	84.126	24,200
School Based Student Drug Testing	FY07	84.184D	(353)
School Based Student Drug Testing	FY08	84.184D	98,321
Basic Grant Title IIC - 2007	5462-07-32	84.048	1,869
Basic Grant Title IIC - 2007	5462-08-32	84.048	55,166
Total Department of Education			2,945,878

See independent auditors' report.

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ <u>PROGRAM TITLE</u>	<u>PROJECT</u>	FEDERAL CFDA <u>NUMBER</u>	DISBURSEMENTS/ <u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through State Department of Education			
National School Lunch Program	0575-07/08	10.555	798,604
Nat'l School Breakfast Program	0575-07/08	10.553	156,437
Nat'l School Breakfast Program		10.559	1,113
Total Department of Agriculture			<u>956,154</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,508,709</u>

See independent auditors' report.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Oldham County School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B. FOOD DONATION

The District received nonmonetary assistance in the form of commodities. The amount of commodities disbursed was \$168,553 for the fiscal year ended June 30, 2008. The amount of commodities disbursed was not reported in the schedule of federal expenditures.

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Oldham County School District.
2. There are no reportable conditions disclosed during the audit of the basic financial statements that are reported in the Schedule of Reportable Conditions in Part B of this schedule.
3. No instances of noncompliance material to the financial statements of Oldham County School District were disclosed during the audit. No instances of noncompliance not material to the financial statements are reported in Part B of this schedule.
4. The auditor's report on compliance for the major federal award programs for Oldham County School District expresses an unqualified opinion.
5. There were no findings relative to the major federal awards programs for Oldham County School District.
6. The programs tested as major programs were:

	<u>CFDA #</u>
a. Head Start	93.600
b. IDEA – Part B Basic	84.027
c. Child Nutrition Cluster	10.555/10.553
7. The threshold for distinguishing Type A and B programs was \$300,000.
8. Oldham County School District does qualify as low risk auditee.

B. FINANCIAL STATEMENT FINDINGS

1. REPORTABLE CONDITIONS

None

2. COMPLIANCE FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

D. PRIOR YEAR AUDIT FINDINGS

None



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

State Committee for School District Audits
Members of the Board of Education of
Oldham County Board of Education

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oldham County Board of Education as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oldham County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oldham County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oldham County Board of Education's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Oldham County Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Oldham County Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the Trimble Oldham County Board of Education's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Oldham County Board of Education's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oldham County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Oldham County Board of Education in a separate letter dated October 10, 2008.

State Committee for School District Audits
Members of the Board of Education of
Oldham County Board of Education
Page – 3-

This report is intended solely for the information and use of management of Oldham County Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Amick & Company

Louisville, Kentucky
October 10, 2008



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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

State Committee for School District Audits
Members of the Board of Education of
Oldham County Board of Education

We have audited the compliance of Oldham County Board of Education with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Oldham County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Oldham County Board of Education's management. Our responsibility is to express an opinion on Oldham County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oldham County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Oldham County Board of Education's compliance with those requirements.

In our opinion, Oldham County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Oldham County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Oldham County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the audit committee, management, and members of the Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Amick & Company

Louisville, Kentucky
October 10, 2008

MANAGEMENT

LETTER

POINTS



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State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

In planning and performing our audit of the financial statements of Oldham County School District for the year ended June 30, 2008, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening the internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated October 10, 2008 contains our report on reportable conditions and material weaknesses in the District's internal control structure. This letter does not affect our report dated October 10, 2008 on the financial statements of the Oldham County School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Amick & Company

Louisville, Kentucky
October 10, 2008

OLDHAM COUNTY SCHOOL DISTRICT

Management Letter Points
For the Year Ended June 30, 2008

POINT 1. PRIOR YEAR RECOMMENDATIONS

We reviewed all recommendations made to the Board on the management letter that accompanied your previous report. The Board responded to these recommendations by developing and implementing a plan of action. However, we found one instance relating to the prior year comments that is being repeated in the current year.

A. CREDIT CARDS

Credit cards are allowed by board policy. All items that are placed on a credit card should have prior approval or the credit card should not be used.

Comments

We discovered several instances where credit cards were paid late and the school incurred late charges and finance charges as a result. All bills are to be paid in a timely manner. If the purchase on the credit card has a properly approved purchase order, then there is no reason why the bill should be paid late. If the purchase has not been approved then the use of the credit card should not be allowed.

Recommendation

The principals should review all credit card charges to ensure that they have properly approved purchase orders. If they do, then they should instruct their bookkeepers that all invoices need to be paid on time. If a particular invoice needs to be held for any reason, the bookkeeper should notify the principal of the reason. The vendor involved should also be notified of the reason payment is being held so as not to incur any charge for late payment.

Management's Response

The Treasurer will remind the schools that they are to comply with all policies and procedures in the red book. He will also monitor this situation to ensure compliance in the future.

POINT 2. SCHOOL ACTIVITY FUNDS

In accordance with the *Uniform Program of Accounting for School Activity Funds in Kentucky Schools* (the red book), we have several areas where the schools are not in compliance with the policies and procedures as outlined.

A. PROPER DOCUMENTATION

The Red Book states that before being processed, each disbursement shall be documented by a completed purchase order and an original vendor invoice.

Comments

There are a number of issues related to proper documentation. These are –

- Original documentation is not attached to the purchase order. Instead, there are copies of invoices attached. These copies are in the form of Xerox copies, copies obtained via fax or copies obtained via email.
- Invoices attached to the purchase orders do not agree with the amount of the purchase order.
- No documentation at all to support the purchase order.
- No indication on the purchase order as to the activity to be charged.
- Multiple purchase orders are being paid with one check. However, only the first purchase order reflects the date, amounts paid and check number. The information is left blank on the remaining purchase orders.
- Meals being paid for but there is no detailed receipts showing the items being purchased.

Recommendation

All purchase orders are to be properly completed and have proper documentation attached to them. Proper completion of a purchase order includes approval by the sponsor and principal, a listing of all invoices being paid, vendor's name and address, the activity fund to be charged, the amount paid, date paid and check number.

Proper documentation according to the Red Book is an original invoice. If a vendor invoice is not available, the disbursement shall be supported by a standard invoice (form F-SA-8) which must be signed by the payee.

Management's Response

The Treasurer will remind the schools that they are to comply with all policies and procedures in the red book. He will also monitor this situation to ensure compliance in the future.

B. SALES TAX PAID

Schools are exempt from the payment of sales tax, excluding tax on meals and hotel expenses for employees. Employees purchasing items for the school cannot be reimbursed for sales tax.

Comments

We found several instances where payments for purchases included sales tax. These seem to be occurring mainly from purchases being made over the internet.

Recommendation

All personnel responsible for payment and approval of purchase orders need to be reminded of the policies regarding payment of sales tax for goods purchased.

Management's Response

The Treasurer will meet with the appropriate principals and discuss the handling of payments for goods to insure that this situation is corrected.

C. CHECKS MADE PAYABLE TO CASH

This is a change in policy in the new Red Book. Previously, the policy stated that checks shall not be made payable to "CASH" except for change at events. The new policy states that checks shall not be made payable to "CASH". Petty cash or change fund checks shall be made payable to the sponsor or to the responsible person.

Comments

There are several schools that are not in compliance with the new policy relating to checks made payable to "CASH".

Recommendation

All personnel responsible for issuance of checks need to be informed of this change in policy.

Management's Response

The Treasurer will meet with the appropriate principals and discuss this change in policy with them.

POINT 3. OTHER SCHOOL ACTIVITY FUND ISSUES

The following items are issues or items that may become issues and relate to all schools within the district.

A. PROPER DOCUMENTATION FOR CHARITABLE FUNDRAISERS

From time to time, and in some cases each year, schools will conduct fundraisers for a particular charitable event. One example is Relay for Life to benefit the American Cancer Society.

Comments

The issue is what constitutes proper documentation to support the purchase order. There are no invoices and getting a standard invoice signed by the payee is not possible.

Recommendation

A separate activity fund should be maintained for these fundraisers. We recommend that a detail report showing the monies deposited for this activity be attached to the purchase order. This would show, for example, that \$5,002 was collected to support a check being written to the supporting organization for \$5,000. In addition, if there are any flyers or brochures that are distributed promoting the event, a copy of one these should be attached to purchase order as well.

Management's Response

The Treasurer will meet with the appropriate principals and discuss with them the appropriate corrective action.

B. SHIPPING AND HANDLING CHARGES

The use of the internet to purchase various goods at the school level is resulting in shipping and handling charges being paid out of the activity funds.

Comments

There were several instances where this was issue this past year. In the cases where this was an issue, the amount paid for shipping and handling was as much as 30% of the total invoice. In one case, the shipping and handling exceeded the cost of the item purchased.

Our main concern is that as this means of purchasing items increases, the amount of monies being spent on shipping and handling could become significant.

Recommendation

We recommend the Board monitor this situation in order to determine what action, if any, should be taken.

Management's Response

The Treasurer will review this situation and determine the appropriate action to be taken in response to our concerns.

**ADDITIONAL
INFORMATION**

OLDHAM COUNTY SCHOOL DISTRICT

Balance Sheet School Activity Funds June 30, 2008

	ASSETS			LIABILITIES AND FUND BALANCE		
	Accounts			Accounts	Fund	
	Cash	Receivable	Total	Payable	Balance	Total
ELEMENTARY SCHOOLS						
Buckner	\$ 135,806	\$ 1,481	\$ 137,287	\$ 25,385	\$ 111,902	\$ 137,287
Camden Station	62,264	1,400	63,664	24,141	39,523	63,664
Centerfield	104,041	-	104,041	31,039	73,002	104,041
Crestwood	68,524	-	68,524	31,931	36,593	68,524
Goshen	129,279	-	129,279	26,228	103,051	129,279
Harmony	377,803	-	377,803	15,976	361,827	377,803
Kenwood Station	231,367	-	231,367	23,040	208,327	231,367
LaGrange	113,924	89	114,013	35,102	78,911	114,013
Liberty	56,055	540	56,595	15,039	41,556	56,595
Total Elementary Schools	<u>\$ 1,279,063</u>	<u>\$ 3,510</u>	<u>\$ 1,282,573</u>	<u>\$ 227,881</u>	<u>\$ 1,054,692</u>	<u>\$ 1,282,573</u>
MIDDLE SCHOOLS						
East Oldham	\$ 77,293	\$ -	\$ 77,293	\$ 8,717	\$ 68,576	\$ 77,293
North Oldham	213,565	-	213,565	4,468	209,097	213,565
Oldham County	147,967	-	147,967	386	147,581	147,967
South Oldham	72,370	-	72,370	4,334	68,036	72,370
Total Middle Schools	<u>\$ 511,195</u>	<u>\$ -</u>	<u>\$ 511,195</u>	<u>\$ 17,905</u>	<u>\$ 493,290</u>	<u>\$ 511,195</u>
HIGH SCHOOLS						
Buckner Alternative	\$ 915	\$ -	\$ 915	\$ -	\$ 915	\$ 915
North Oldham	130,287	-	130,287	1,964	128,323	130,287
Oldham County	518,766	29,733	548,499	42,048	506,451	548,499
South Oldham	273,150	5,561	278,711	20,337	258,374	278,711
Total High Schools	<u>\$ 923,118</u>	<u>\$ 35,294</u>	<u>\$ 958,412</u>	<u>\$ 64,349</u>	<u>\$ 894,063</u>	<u>\$ 958,412</u>
TOTAL ALL SCHOOLS	<u>\$ 2,713,376</u>	<u>\$ 38,804</u>	<u>\$ 2,752,180</u>	<u>\$ 310,135</u>	<u>\$ 2,442,045</u>	<u>\$ 2,752,180</u>

See independent auditors' report.

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenue and Expenses

School Activity Funds

For the Year Ended June 30, 2008

	Cash			Cash	Accounts	Accounts	Fund
	July 01, 2007	Receipts	Disbursements	June 30, 2008	Receivable	Payable	Balance
							June 30, 2008
ELEMENTARY SCHOOLS							
Buckner	\$ 166,250	\$ 464,863	\$ 495,307	\$ 135,806	\$ 1,481	\$ 25,385	\$ 111,902
Camden Station	108,492	501,665	547,893	62,264	1,400	24,141	39,523
Centerfield	62,453	541,327	499,739	104,041	-	31,039	73,002
Crestwood	90,500	467,351	489,327	68,524	-	31,931	36,593
Goshen	175,761	478,619	525,101	129,279	-	26,228	103,051
Harmony	242,346	622,046	486,589	377,803	-	15,976	361,827
Kenwood Station	156,983	520,620	446,236	231,367	-	23,040	208,327
LaGrange	112,210	499,837	498,123	113,924	89	35,102	78,911
Liberty	46,272	224,600	214,817	56,055	540	15,039	41,556
Total Elementary Schools	<u>\$ 1,161,267</u>	<u>\$ 4,320,928</u>	<u>\$ 4,203,132</u>	<u>\$ 1,279,063</u>	<u>\$ 3,510</u>	<u>\$ 227,881</u>	<u>\$ 1,054,692</u>
MIDDLE SCHOOLS							
East Oldham	\$ 75,827	\$ 331,375	\$ 329,909	\$ 77,293	\$ -	\$ 8,717	\$ 68,576
North Oldham	271,338	364,304	422,077	213,565	-	4,468	209,097
Oldham County	130,006	443,672	425,711	147,967	-	386	147,581
South Oldham	84,375	381,811	393,816	72,370	-	4,334	68,036
Total Middle Schools	<u>\$ 561,546</u>	<u>\$ 1,521,162</u>	<u>\$ 1,571,513</u>	<u>\$ 511,195</u>	<u>\$ -</u>	<u>\$ 17,905</u>	<u>\$ 493,290</u>
HIGH SCHOOLS							
Buckner Alternative	\$ 778	\$ 5,347	\$ 5,210	\$ 915	\$ -	\$ -	\$ 915
North Oldham	109,762	810,531	790,006	130,287	-	1,964	128,323
Oldham County	495,349	1,301,064	1,277,647	518,766	29,733	42,048	506,451
South Oldham	230,290	1,046,576	1,003,716	273,150	5,561	20,337	258,374
Total High Schools	<u>\$ 836,179</u>	<u>\$ 3,163,518</u>	<u>\$ 3,076,579</u>	<u>\$ 923,118</u>	<u>\$ 35,294</u>	<u>\$ 64,349</u>	<u>\$ 894,063</u>
TOTAL ALL SCHOOLS	<u>\$ 2,558,992</u>	<u>\$ 9,005,608</u>	<u>\$ 8,851,224</u>	<u>\$ 2,713,376</u>	<u>\$ 38,804</u>	<u>\$ 310,135</u>	<u>\$ 2,442,045</u>

See independent auditors' report.

**SCHOOL ACTIVITY
FUNDS**

OLDHAM COUNTY BOARD OF EDUCATION
NORTH OLDHAM HIGH SCHOOL
ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	<u>CASH</u> <u>BALANCES AT</u> <u>BEGINNING</u> <u>OF YEAR</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>NET</u> <u>INTERFUND</u> <u>TRANSFERS</u>	<u>CASH</u> <u>BALANCES</u> <u>AT END</u> <u>OF YEAR</u>	<u>NET</u> <u>ACCOUNTS</u> <u>RECEIVABLE</u> <u>(PAYABLE)</u>	<u>FUND</u> <u>BALANCES</u> <u>June 30, 2008</u>
General	\$ 4,836	\$ 193,467	\$ 93,357	\$ (99,845)	\$ 5,101	\$ (82)	\$ 5,019
Vending	4,822	30,582	32,148	761	4,017	-	4,017
Technology Equipment	450	30	229	1,820	2,071	-	2,071
Parking Passes	2,606	40	2,760	114	-	-	-
Grants	-	3,975	3,095	137	1,017	-	1,017
Debate	91	1,533	1,622	-	2	-	2
Newspaper	213	70	172	90	201	-	201
Academic Team	-	1,023	1,508	485	-	-	-
Testing	4,533	12,800	49,145	45,650	13,838	-	13,838
English	1,763	23,624	38,772	14,568	1,183	-	1,183
Athletics	22,797	72,892	99,463	23,527	19,753	(689)	19,064
Boys basketball	9,870	42,429	43,287	(3,894)	5,118	(250)	4,868
Girls basketball	1,671	12,356	9,976	(556)	3,495	(250)	3,245
Baseball	4,105	56,696	54,006	(2,010)	4,785	(596)	4,189
Football	41	30,684	26,253	(2,707)	1,765	-	1,765
Boys golf	1,255	4,649	3,140	(420)	2,344	-	2,344
Girls golf	576	870	951	(150)	345	-	345
Cheerleading	4,333	23,951	21,566	(1,560)	5,158	-	5,158
Dance team	31	3,517	3,932	557	173	-	173
Boys soccer	2,109	11,518	15,580	1,953	-	-	-
Girls soccer	3,435	22,978	18,862	(3,559)	3,992	-	3,992
Boys tennis	295	1,535	1,236	(594)	-	-	-
Girls tennis	2,049	4,206	5,306	(949)	-	-	-
Volleyball	363	10,953	9,755	(1,394)	167	-	167
Track	780	6,618	2,488	(2,310)	2,600	-	2,600
Cross country	443	7,302	4,192	(2,005)	1,548	-	1,548
Swim team	54	1,260	2,740	1,498	72	(72)	-
Wrestling	773	18,039	16,962	(1,370)	480	-	480
Softball	8,457	16,757	17,203	(1,120)	6,891	-	6,891
Field Hockey	8	3,729	1,371	(1,506)	860	-	860
LaCrosse	-	4,771	2,081	(1,470)	1,220	-	1,220
Student Government	717	2,968	3,972	1,964	1,677	-	1,677
FCA	-	101	35	-	66	-	66
Female Leadership	199	390	395	-	194	-	194
Art	1,276	847	9,171	7,595	547	-	547
National Honor Society	412	1,245	991	(20)	646	-	646
Yearbook	2,853	41,025	43,559	630	949	-	949
BETA Club	1,331	717	800	-	1,248	-	1,248
Donations	-	18,833	385	(500)	17,948	-	17,948
Foreign Language	2,645	95	9,557	9,545	2,728	-	2,728
KUNA	333	16,755	16,955	-	133	-	133
Science	-	2,066	10,703	10,440	1,803	-	1,803

See independent auditors' report

**OLDHAM COUNTY BOARD OF EDUCATION
NORTH OLDHAM HIGH SCHOOL
ACTIVITY FUND**

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	<u>CASH BALANCES AT BEGINNING OF YEAR</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>NET INTERFUND TRANSFERS</u>	<u>CASH BALANCES AT END OF YEAR</u>	<u>NET ACCOUNTS RECEIVABLE (PAYABLE)</u>	<u>FUND BALANCES June 30, 2008</u>
National Art Honor	\$ 728	\$ 400.00	\$ 523.00	\$ (605)	\$ -	\$ -	\$ -
Physical Education	-	-	44	44	-	-	-
Math Department	374	15	114	638	913	(25)	888
Speech	-	7,922	6,773	(982)	167	-	167
Freshman Class	340	1,078	1,056	(340)	22	-	22
Freshman Orientation	-	-	-	-	-	-	-
Band	938	13,804	18,472	3,846	116	-	116
Social Studies	-	21,064	21,628	2,707	2,143	-	2,143
Chorus	-	26,717	26,100	444	1,061	-	1,061
Literary Club	37	-	37	-	-	-	-
Drama	68	2,038	1,970	630	766	-	766
Media Center	4,075	639	4,714	4,460	4,460	-	4,460
Sophomore Class	1,001	-	-	(661)	340	-	340
Junior Class	9,011	8,419	6,855	(6,559)	4,016	-	4,016
Senior Class	667	18,540	22,042	2,983	148	-	148
Totals	<u>\$ 109,764</u>	<u>\$ 810,532</u>	<u>\$ 790,009</u>	<u>\$ -</u>	<u>\$ 130,287</u>	<u>\$ (1,964)</u>	<u>\$ 128,323</u>

See independent auditors' report

OLDHAM COUNTY BOARD OF EDUCATION
OLDHAM COUNTY HIGH SCHOOL
ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	<u>CASH</u> <u>BALANCES AT</u> <u>BEGINNING</u> <u>OF YEAR</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>NET</u> <u>INTERFUND</u> <u>TRANSFERS</u>	<u>CASH</u> <u>BALANCES</u> <u>AT END</u> <u>OF YEAR</u>	<u>NET</u> <u>ACCOUNTS</u> <u>RECEIVABLE</u> <u>(PAYABLE)</u>	<u>FUND</u> <u>BALANCES</u> <u>June 30, 2008</u>
Agriculture	\$ 630	\$ -	\$ 624	\$ -	\$ 6	\$ -	\$ 6
Art	2,836	200	6,689	5,468	1,815	-	1,815
Athletic - General	10,303	108,592	41,654	(58,827)	18,414	(340)	18,074
Baseball	25,997	43,949	53,455	9,970	26,461	-	26,461
Basic Student Fee	18	193,212	11,886	(171,276)	10,068	28,678	38,746
Band	250	61,745	62,635	940	300	(120)	180
Boys basketball	10,612	11,758	20,051	4,000	6,319	-	6,319
Girls basketball	901	21,621	29,989	7,555	88	-	88
Beta Club	438	2,433	1,548	(100)	1,223	(500)	723
Bookstore	2,730	47	82	(2,651)	44	-	44
Business	643	112	1,328	7,548	6,975	-	6,975
Certificate of Deposit	17,023	653	-	-	17,676	-	17,676
Cheerleading	14,749	32,309	37,649	3,851	13,260	(5,289)	7,971
Chess team	427	-	140	(20)	267	-	267
Choral music	15,774	21,521	30,727	1,413	7,981	-	7,981
Cross country	1,078	13,667	13,733	890	1,902	(120)	1,782
Debate	39	-	684	887	242	-	242
Speech team	-	3,575	4,514	1,568	629	-	629
Broadcast Journal	2,244	4,470	6,095	2,096	2,715	-	2,715
English	2,710	10,719	11,682	(466)	1,281	(299)	982
Little Colonel Child	32,972	152,000	141,933	(24)	43,015	(27,810)	15,205
Faculty Fund	-	370	565	195	-	-	-
Football	13,507	59,464	73,883	14,366	13,454	(585)	12,869
Foreign language	-	1,874	12,171	13,004	2,707	-	2,707
Freshmen	504	6,818	6,181	(519)	622	-	622
FBLA	402	6,971	8,451	1,438	360	-	360
FEA	73	851	1,344	420	-	-	-
FFA	11,614	31,656	28,319	925	15,876	(791)	15,085
FCCLA	174	5,274	5,360	102	190	-	190
General	1,177	11,411	30,574	18,128	142	(50)	92
Golf	799	3,959	4,687	(71)	-	-	-
Guidance	3,789	44,615	42,197	(2,746)	3,461	(330)	3,131
Family/Consumer	2,112	517	5,838	4,863	1,654	(378)	1,276
Honor Society	656	3,308	3,692	(25)	247	-	247
Ind Arts	3,333	10,215	12,518	2,241	3,271	-	3,271
Interl club	-	-	-	-	-	-	-
Juniors	6,770	29,808	23,019	(6,175)	7,384	-	7,384
Humanities	294	5,898	6,203	14	3	-	3
Library	2,033	1,599	1,885	818	2,565	(75)	2,490
Literary club	354	929	208	-	1,075	-	1,075
Math	450	454	941	71	34	-	34
Pep Club	236	300	230	-	306	-	306
Physical Ed	-	3,980	3,959	-	21	-	21
Sigma Gamma	690	12,474	11,610	116	1,670	-	1,670
ACT Prep	-	-	1,320	1,357	37	-	37

See independent auditors' report.

OLDHAM COUNTY BOARD OF EDUCATION
OLDHAM COUNTY HIGH SCHOOL
ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	<u>CASH</u> <u>BALANCES AT</u> <u>BEGINNING</u> <u>OF YEAR</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>NET</u> <u>INTERFUND</u> <u>TRANSFERS</u>	<u>CASH</u> <u>BALANCES</u> <u>AT END</u> <u>OF YEAR</u>	<u>NET</u> <u>ACCOUNTS</u> <u>RECEIVABLE</u> <u>(PAYABLE)</u>	<u>FUND</u> <u>BALANCES</u> <u>June 30, 2008</u>
Savings	\$ 62,675	\$ 757	\$ -	\$ -	\$ 63,432	\$ -	\$ 63,432
Scholarship	12,836	4,000	4,219	(592)	12,025	(750)	11,275
Scholastic comp	625	989	890	(724)	-	-	-
School paper	6,502	8,617	10,284	(686)	4,149	(1,500)	2,649
School pictures	2,728	-	-	(2,728)	-	-	-
Science	5,776	3,525	13,147	15,414	11,568	-	11,568
Science club	122	395	410	-	107	-	107
Seniors	13,428	40,533	30,752	(7,367)	15,842	(1,202)	14,640
Boys soccer	934	32,059	27,021	(4,649)	1,323	-	1,323
Girls soccer	-	17,010	18,461	1,476	25	-	25
Social Studies	-	536	336	2,466	2,666	-	2,666
Softball	6,157	12,521	18,321	7,060	7,417	(401)	7,016
Sophomores	794	2,167	1,889	(339)	733	-	733
Sp Ed/Tmh	187	85	1,134	-	(862)	1,055	193
Senior Fraternity	232	1,238	1,130	(20)	320	-	320
Technology	1,321	5,351	8,157	6,551	5,066	(300)	4,766
Technology Consumab	-	-	9,074	10,530	1,456	-	1,456
Stars	396	-	-	(396)	-	-	-
Tennis	167	5,401	4,786	(635)	147	(97)	50
O Club	869	-	-	(869)	-	-	-
Textbook Replacemnt	-	40	34,898	38,282	3,424	-	3,424
Textbook Supplement	-	-	33,967	33,967	-	-	-
Theater	49	495	1,343	829	30	-	30
Theater production	15,369	7,004	16,003	(792)	5,578	-	5,578
Track	3,259	14,119	14,809	2,565	5,134	(737)	4,397
Locker room facilities	41,510	-	51,870	10,360	-	-	-
Vending - general	338	3,561	1,922	-	1,977	-	1,977
Vending - pop	-	15,066	12,724	(28)	2,314	(374)	1,940
Vending - faculty	-	8,054	8,244	190	-	-	-
Volleyball	989	11,519	12,374	2,460	2,594	-	2,594
Wrestling	5,687	19,068	21,626	725	3,854	-	3,854
Xerox	-	-	2,141	4,340	2,199	-	2,199
Yearbook	28,572	87,968	79,541	(5,068)	31,931	-	31,931
Y Club	994	19,113	19,830	-	277	-	277
Special Project	79,861	29,716	24,953	23,154	107,778	-	107,778
Swim team	343	10,372	11,722	1,360	353	-	353
FCA	163	-	150	(5)	8	-	8
Alumni	9,995	77	4,064	2,175	8,183	-	8,183
Dance	1,129	14,376	13,197	(350)	1,958	-	1,958
TOTALS	\$ 495,348	\$ 1,301,060	\$ 1,277,642	\$ -	\$ 518,766	\$ (12,315)	\$ 506,451

See independent auditors' report.

OLDHAM COUNTY BOARD OF EDUCATION
SOUTH OLDHAM HIGH SCHOOL
ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	<u>CASH</u> <u>BALANCES AT</u> <u>BEGINNING</u> <u>OF YEAR</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>CASH</u> <u>BALANCES</u> <u>AT END</u> <u>OF YEAR</u>	<u>NET</u> <u>ACCOUNTS</u> <u>RECEIVABLE</u> <u>(PAYABLE)</u>	<u>FUND</u> <u>BALANCES</u> <u>June 30, 2008</u>
Art	\$ -	\$ 248	\$ 8,814	\$ 8,566	\$ -	\$ -	\$ -
Athletic general	11,496	151,962	147,107	2,817	19,168	(3,910)	15,258
Band, concert	690	8,430	13,279	4,159	-	-	-
Baseball	2,968	79,884	83,998	1,571	425	-	425
ACT/SAT Prep	-	13,250	11,294	(1,956)	-	-	-
Basketball, boys	6,934	20,793	22,184	(445)	5,098	-	5,098
Basketball, girls	372	16,977	15,056	(992)	1,301	-	1,301
Beta Club	186	2,797	1,504	(725)	754	-	754
Bookstore	-	3,615	3,595	480	500	-	500
Book/Course fees	200	183,799	26,072	(156,447)	1,480	5,561	7,041
Cheerleading	1,311	23,041	24,545	198	5	-	5
Choral music	6,379	31,634	35,725	1,424	3,712	-	3,712
CLEP Testing	120	505	410	-	215	-	215
Cross country	1,568	8,064	8,092	(6)	1,534	-	1,534
Dance team	2,225	19,191	20,212	(24)	1,180	-	1,180
Debate	123	1,414	1,471	-	66	-	66
Diplomacy club	3	1,618	1,321	-	300	-	300
Dragon club	4,036	-	-	-	4,036	-	4,036
Dragon stadium	16,000	-	7,844	8,000	16,156	-	16,156
English	-	326	12,994	12,668	-	-	-
Faculty Fund	71	2,154	2,047	-	178	-	178
Family & Consumer	-	549	11,729	11,180	-	-	-
FCA	51	4	39	(15)	1	-	1
FCCLA	2,425	12,524	12,287	(1,178)	1,484	-	1,484
FCCLA Reg #6	1,318	1,578	2,379	405	922	-	922
Field hockey	-	12,443	9,878	(1,000)	1,565	-	1,565
FEA	-	-	-	-	-	-	-
Field trips	-	-	-	-	-	-	-
Football	7,442	41,400	35,012	(3,292)	10,538	-	10,538
Foreign language	-	378	8,895	8,517	-	-	-
French club	112	-	-	(15)	97	-	97
Freshman class	-	8,464	6,624	(1,840)	-	-	-
Bowling club	-	-	-	-	-	-	-
General	55,483	42,275	35,811	9,903	71,850	(13,669)	58,181
General - Savings	-	-	-	-	-	-	-
Golf, boys	256	2,825	2,883	-	198	-	198
Golf, girls	-	200	320	120	-	-	-
Guidance	314	1,372	532	-	1,154	-	1,154
Honor Society	117	1,012	812	(27)	290	-	290
Ind Arts	-	10,950	12,718	1,828	60	-	60
Juniors	2,183	13,242	6,627	(6,664)	2,134	-	2,134
Kickoff classic	2,062	28,610	26,616	(4,051)	5	-	5
Library	-	1,568	1,443	(125)	-	-	-
Literary club	-	73	56	-	17	-	17
Locker	9,946	-	-	3,139	13,085	-	13,085

See independent auditors' report.

OLDHAM COUNTY BOARD OF EDUCATION
SOUTH OLDHAM HIGH SCHOOL
ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2008

<u>FUND ACCOUNTS</u>	CASH BALANCES AT BEGINNING <u>OF YEAR</u>	CASH RECEIPTS	CASH DISBURSEMENTS	NET TRANSFERS	CASH BALANCES AT END <u>OF YEAR</u>	NET ACCOUNTS RECEIVABLE <u>(PAYABLE)</u>	FUND BALANCES <u>June 30, 2008</u>
Math	\$ -	\$ 29	\$ 624	\$ 595	\$ -	\$ -	\$ -
German club	-	469	469	-	-	-	-
Natl arts society	-	568	292	-	276	-	276
Parking sticker	977	2,015	4,721	3,254	1,525	-	1,525
PE / Health	-	297	295	(2)	-	-	-
Scholarship	7,882	1,000	4,750	1,500	5,632	-	5,632
Scholastic comp	-	120	105	(15)	-	-	-
School paper	2,380	7,793	6,643	134	3,664	-	3,664
STEP Club	-	297	297	-	-	-	-
Science	-	42,979	47,970	13,504	8,513	-	8,513
Seniors	8,062	38,867	37,841	(319)	8,769	-	8,769
Spanish Honor Soc	-	1,209	1,194	(15)	-	-	-
Soccer, boys	1,395	17,344	17,068	(595)	1,076	-	1,076
Soccer, girls	4,358	19,055	13,138	(2,018)	8,257	-	8,257
Social Studies	93	892	4,464	3,479	-	-	-
Softball	3,486	3,910	4,992	(1,125)	1,279	-	1,279
Sophomores	2,653	500	1,000	(316)	1,837	-	1,837
Ski club	149	2,307	2,140	(316)	-	-	-
Spirit Pep Club	101	595	-	(15)	681	-	681
Sp Ed/LD MMD	-	59	-	59	118	-	118
Sp Ed/TMD	292	2,934	4,286	1,060	-	-	-
Special Project	1,169	2,158	1,134	-	2,193	-	2,193
STLP	-	196	190	(6)	-	-	-
Student council	51	859	689	(200)	21	-	21
Swim team	2,385	3,610	3,378	(225)	2,392	-	2,392
Technology	347	1,496	14,605	15,421	2,659	-	2,659
Teens Who Care	-	-	-	-	-	-	-
Tennis, boys	-	590	1,548	1,100	142	-	142
Tennis, girls	977	2,716	3,574	1,225	1,344	-	1,344
Testing	-	2,810	31,226	30,133	1,717	-	1,717
Textbook Replace	151	924	123	-	952	-	952
Textbook Supplement	-	-	23,674	23,674	-	-	-
Theater	5,514	9,697	11,517	908	4,602	-	4,602
Track	8,147	-	874	-	7,273	-	7,273
Vandalism	54	1,330	1,195	-	189	-	189
Vending - general	248	3,230	3,293	481	666	-	666
Vending - pop	349	6,593	8,282	1,493	153	-	153
Vending - staff	90	1,358	-	(1,368)	80	-	80
Volleyball	763	6,639	4,651	-	2,751	-	2,751
Wrestling	7,275	38,631	35,283	(392)	10,231	-	10,231
Xerox	5,722	20,085	35,319	12,270	2,758	(2,758)	-
Yearbook	28,828	51,246	48,647	464	31,891	-	31,891
TOTALS	\$ 230,289	\$ 1,046,576	\$ 1,003,716	\$ -	\$ 273,149	\$ (14,776)	\$ 258,373

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